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C O N F I D E N T I A L SECTION 01 OF 03 MANAGUA 000209

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SUBJECT: NICARAGUA: THE PACTO STRIKES A DOUBLE BLOW AGAINST
THE OPPOSITION AND FREE ELECTIONS

REF: MANAGUA 153

Classified By: Charge Richard Sanders, Reasons 1.4 (b) and (d)

SUMMARY

11. (C) On February 20, the Supreme Electoral Council (CSE) delivered a double blow to democratic opposition efforts to unify in the November municipal elections. First, ignoring an appeal by all parties (other than the FSLN), the CSE voted to confirm the municipal electoral calendar which requires all political alliances to register by March 3 and all candidates to register by March 14. In a second, and more devastating decision, the CSE stripped Eduardo Montealegre of the presidency of the Nicaraguan Liberal Alliance (ALN) party and handed it to his arch-rival Eliseo Nunez. Montealegre has reorganized his earlier movement, "Vamos con Eduardo," and is urging his former supporters to register under the banner of the Independent Liberal Party (PLI). The CSE decision effectively eliminates the ALN as the leading anti-Pacto party, exacerbates the division among the Liberals, and leaves little time for the opposition parties to find and register a suitable alternative for the upcoming elections. Moreover, the decisions will reinforce the control of ex-President Arnoldo Aleman over the Liberals and the continuing power of the Pacto between Aleman and President Ortega for the foreseeable future. End Summary.

MOVING UP THE ELECTORAL CALENDAR

12. (U) On February 20, the CSE issued a decision to confirm its earlier draft electoral calendar for the November municipal elections. The new calendar requires that all political alliances register by March 3 and that all candidates for the elections be registered by March 14. Candidates names will be published by April 14. By comparison, in the November 2004 municipal elections, candidates could register between May 7 and July 16 and alliances had to be declared by May 7. The leading political parties had written to the CSE opposing the draft calendar and requested at least a one month delay in registration. Unlike in previous elections, when the calendar was mutually agreed by the parties and CSE through negotiation, the CSE summarily rejected the parties' request and voted to uphold the initial draft. Magistrates Emett Lang, Jose Luis Villavicencio, Jose Miguel Cordoba and Roberto Rivas voted in favor the decision. Constitutional Liberal Party (PLC)

magistrates Luis Benavidez, Jose Marenco Cardenal and Rene Herrera voted against the new calendar.

13. (U) CSE Chief Magistrate Rivas explained that the decision to move up the calendar was made because all the parties had sufficient time to prepare for the elections and that the CSE needed additional time to prepare due to the lack of resources. He noted that all parties were informed of the elections on November 5, 2007 and thus had a year to prepare, while in the previous elections parties were not notified until January or February of the election year.

14. (C) The change in the dates for alliance and candidate registration effectively ends the agreement between the ALN and PLC to put up joint candidates, selected via primaries (reftel). The agreement called for candidates to be selected at the municipal level by consensus and, if consensus could not be reached, by means of primary elections to be held in April. With slightly more than two weeks until candidate registration, ALN and PLC party officials tell us that organizing primaries will be practically impossible. PLC President Jorge Castillo Quant, cynically shedding crocodile tears, publicly "regretted" the decision and suggested it would "force" the PLC to individually select candidates ("dedazo") instead of through an open primary process -- an outcome the PLC leadership had been seeking for some time. PLC Deputy Enrique Quinonez, who is running for vice-mayor of Managua against Aleman's hand-picked crony, Maria Haydee Osunza Ruiz, denounced the decision "a fraud," called upon the Liberal magistrates of the CSE to renounce the decision, and is now urging the PLC leadership for the Managua municipality to convene primaries on March 10.

CSE STRIPS ALN FROM MONTEALEGRE

15. (C) On the same day, the CSE delivered a second and more serious blow the democratic opposition when it voted to strip the presidency of the ALN from Eduardo Montealegre and return it and legal authority over the party and its assets to rival (and Aleman confidante) Eliseo Nunez Sr. Nunez, the original founder of the ALN and its predecessor the Movement for Liberal Salvation (MSL), has long opposed Montealegre's leadership and had appealed to the CSE to overturn the decision April 2006 ALN convention that elected Montealegre president.

16. (C) ALN officials believed that the issue had been settled earlier this year. They received a preliminary finding late in 2007 from the CSE upholding Montealegre's election and multiple communications from the CSE formally recognizing Montealegre as ALN president. On February 20, however, in a surprise move, the CSE issued a new ruling that the executive committee at the time of the April 2006 convention did not have the authority to merge the MSL and Montealegre's organization, Vamos con Eduardo, into the ALN and thereby nullified Montealegre's election. It also determined that there were a large number of "irregularities and deficiencies" in the ALN's statutes that need to be resolved, including the election of several new municipal and departmental level structures, notably those in Matagalpa.

17. (C) The CSE decision will also affect the upcoming process to form new Municipal and Departmental Electoral Commissions (CEMs and CEDs), for the purpose of conducting the municipal elections. Electoral regulations award seats on the CEMs and CEDs to the two top vote winners from the previous election. For the November 2008 elections, that would mean the FSLN and ALN get to split the seats to the exclusion of the PLC. The CSE decision will mean that the ALN under Nunez gets to form the commissions. However, as most members of the ALN are expected to defect the organization (see below), the ALN will not have sufficient members to staff the commissions. Conveniently, in a February 20 press conference, Aleman offered to "help" Nunez with activists from the PLC to help form the commissions. In effect, the PLC will be able to retain its seats on the commissions and continue to control vote counting and election results with the FSLN.

NEXT STEPS - VAMOS CON EDUARDO AND PLI

¶18. (C) In a later conversation with us, Montealegre told us the "ALN is dead." They have switched to calling their organization "Vamos con Eduardo" and have begun re-painting party headquarters signs in Managua and other municipalities with the new name. The movement will run under the Independent Liberal Party (PLI) in the local elections and PLI president and National Assembly Deputy Indalecio Rodriguez publicly appeared with Montealegre in a series of press events to offer full backing to Montealegre and all ex-members of the ALN. Montealegre noted that they immediately began receiving calls from party members renouncing their membership in the ALN and requesting to become formal members of PLI. Montealegre suggested that they had been prepared for this to happen, though the timing was terrible, and most of their activist members and sympathizers would have little difficulty making the switch from ALN to PLI. "They will see the ALN for what it now is - an arm of the Pacto."

¶19. (C) The more difficult question facing Montealegre is whether to proceed with his run for Mayor of Managua. In a late meeting with party organizers and PLC dissident Enrique Quinonez, opinions appeared to be evenly split. Some are urging Montealegre to withdraw from the race, citing the clear intention of the FSLN and PLC to prevent him having a chance to win and instead urging Montealegre to remain a National Assembly Deputy and re-organize Vamos Con Eduardo and PLI. They fear the political damage of an electoral loss would be too great for Montealegre to sustain his political career. Others, including Quinonez, want Montealegre to push back, announce his formal candidacy for Mayor, and call the CSE moves for what they are - a failed effort by the Pacto to eliminate him. They believe he has not made the case yet for being a political martyr and that his early withdrawal from the race would doom his political career. Montealegre had not made a decision either way and will use the coming weekend for further consultations with party leaders and activists to determine a way forward.

COMMENT

¶10. (C) The decisions by the CSE provide further evidence that the Pacto between Aleman and Ortega is alive and well and has no intention of letting Montealegre and a united opposition gain a foothold in the November municipal elections that could damage the power sharing agreement. The decisions render the ALN-PLC agreement essentially meaningless and will ensure that, to a large extent, the Liberal forces remain divided. The advanced calendar will facilitate Aleman's efforts to keep tight control over the PLC structure and select candidates at the local level beholden personally to him alone. Moreover, the PLC and FSLN will continue their control over the electoral commissions, reducing the likelihood that the elections will be free and fair. The anti-Pacto Liberal movement will continue, despite the setbacks created by these decisions, and over the long-term may be able to build a better political organization from a stronger position without the internal divisions and legal problems. However, their task to gain seats in the municipal elections has become much more difficult and they will have little resources on hand to initiate the rebuilding effort.

SANDERS